



This is an excerpt from a radio program, presented by the General Federation of Women's Clubs, on October 20, 1939, at 1:45 P.M., over the Red Network of the National Broadcasting Company, Washington, D. C. In it, Mrs. Baker, representing the President of the Federation, Mrs. Saidie Orr Dunbar, and 3 reporters discuss with Consumers' Counsel Donald E. Montgomery some of the problems behind prices and supplies of consumer goods. Mr. Montgomery is Consumers' Counsel of the Agricultural Adjustment Administration, Department of Agriculture, Washington, D. C. The program, prepared by the Consumers' Counsel Division of the AAA, is presented each Friday at this time.

BAKER: I've got a stumper for you today, Mr. Montgomery.

MONTGOMERY: What's that, Mrs. Baker?

BAKER: It's about prices again.

MONTGOMERY: Yes?

BAKER: You know, every time the price of something goes up, somebody . . . like as not . . . says: "But that's not a fair price." I keep asking myself, "Well, what is a fair price?"

MONTGOMERY: You ask yourself difficult questions, Mrs. Baker.

BAKER: This one certainly keeps bothering me.

SALLY: It is funny that you never hear consumers complain that a low price isn't a fair price.

BOB: Maybe consumers don't, but believe me I've heard farmers say that some low prices aren't fair.

JANET: You mean, the prices they get for things they sell.

BOB: Naturally, farmers don't complain . . . any more than city people do . . . if prices are low when they go to buy things.

JANET: But other people may complain . . . like manufacturers. When they have to sell cheap, they don't think prices are fair.

MONTGOMERY: Keep it up, boys and girls!

SALLY: Well, maybe it's like love. Who knows what is fair in love . . .

JANET: Or in war . . .

MONTGOMERY: It is a tough little word . . . that word FAIR . . . isn't it?

BAKER: And yet people use it all the time. They ought to know what it means.

BOB: Well, everybody thinks they know.

JANET: But do they?

SALLY: Look. Here's a dictionary. Let's see what Webster says FAIR means.

(TURNS PAGES)

Here it is . . . Gracious! There are 17 different definitions.

JANET: Seventeen!

BOB: Yes, but Sally, all of those definitions don't apply to prices. Let me look . . . here's the one we want. It says: fair prices are prices that are "equitable as a basis for exchange."

SALLY: Whew! What in the mischief does that mean?

BAKER: Come, come, you two. I want Mr. Montgomery to tell us what is a fair price.

JANET: But do the experts agree?

MONTGOMERY: Alas, they don't! There are all kinds of ideas and theories. You know, people have been arguing about fair prices ever since the first man . . . whoever he was . . . exchanged one product for another.

BOB: Well, if Adam and Eve argued about it, I bet the question was soon settled.

JANET: How, Bob?

BOB: By the one who had the strongest right arm.

SALLY: But strong arms don't always make things right . . . or fair.

MONTGOMERY: Sally's got you there, Bob . . . What people want is a yardstick for fair prices, so they won't have to argue . . . or come to blows.

BAKER: Mr. Montgomery, doesn't everybody agree on this . . . that a price is fair if it covers the cost of production?

MONTGOMERY: Well, suppose one manufacturer were more efficient than another. Should you pay the lowest cost or the highest cost?

BAKER: I don't know.

JANET: And some bosses pay better wages than other do. So their costs would be greater.

MONTGOMERY: Maybe, Janet. Sometimes, though, higher wages mean lower costs because the workers may be more efficient.

BOB: As for me, I'd say any price is fair if I can afford it. That's good enough for me.

SALLY: But that sounds like charging all the traffic will bear.

MONTGOMERY: And besides, Bob, what you can afford may not be a fair price to other consumers. We've got to think about poor families, too, when we talk about what's fair in price.

SALLY: There seems to be no end to this problem.

MONTGOMERY: That's about it, Sally. But here. Let me take
a stab at defining a fair price . . . How's
this? A fair price is a price that works.

BOB: What in the world do you mean by that, Mr.
Montgomery?

SALLY: I know I have to work to pay prices; I didn't
know prices worked for me.

MONTGOMERY: Sure prices work for you. Prices put a man to
work in a factory.

JANET: They can put a man out of work, too.

MONTGOMERY: That's right, Janet. You get the idea. When
the prices of the many different materials and
products are at the right levels, one with
another, or moving in the right directions, the
man goes to work. When they aren't, he's laid off.

BOB: What you mean, then, is that fair prices are prices
that put people to work.

JANET: And keep them at work.

MONTGOMERY:

Yes, exactly. At least that's a large part of my definition. Another thing is that prices have got to work for us consumers, and for that man in the factory, by making it possible for us to buy the things he wants to produce. That's what I mean by saying that fair prices are prices that work.

BAKER:

Well, at least your definition is short and easy to remember. Fair prices are prices that work. But I must say it leaves me with a lot of questions.

SALLY: (WHISPERING)

Me, too, Mrs. Baker. If the boss weren't here, I'd say an economist is a person who gives simple answers that leave you simply nowhere.

MONTGOMERY:

Ah, ah, I heard you, Sally. But I think you're dead right. All my definition is good for is a sort of jumping-off place.

BAKER:

Next week, Mr. Montgomery, can we fire some more questions on whether prices are working the right way?

MONTGOMERY:

Yes, indeed. I'll be ready.

BAKER:

By the way, have you any news on what's happening to food prices?

MONTGOMERY:

Just that important staple foods, throughout the country, didn't change much in the week ending last Tuesday. Pork chops went up 2 or 3 cents a pound in a number of big cities, but otherwise, most food prices stayed at about where they were the Tuesday before.

